

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: June 7, 2006

PAYROLL LETTER # 06-010

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief
Personnel/Payroll Services Division

RE: **JULY SEPARATIONS KEY ENTERED IN JUNE**

PLEASE SHARE THIS INFORMATION WITH THOSE WHO PROCESS SEPARATIONS AND SALARY ADVANCES.

This letter is to inform you of the suspense condition for separations that are effective in July and processed in June. If the July effective date separation transactions are key entered prior to the last payroll cycle in June, the separation pay and any lump sum/settlement pay will suspend due to the future fiscal year suspense condition. No action is necessary by the department/campus as the suspended payments will automatically release in the first payroll cycle in the new fiscal year.

To avoid the above suspense condition, it is suggested that separations that are effective in the July pay period not be keyed entered until after the last payroll cycle in June. To meet the obligations of Labor Code Sections 201 and 202, timely payment of separation pay, a salary advance may need to be issued. Prior to issuing a salary advance, review Payroll Procedures Manual Sections H011 through H013 to determine the deductions that should be taken into consideration in computing the salary advance.

If you have any questions regarding this information, please contact the Civil Service Telephone Liaison Unit at (916) 323-3081 or the CSU Telephone Liaison Unit at (916) 322-7980.

JRH:DW:PMAB